

Town of Coventry, CT



Town Council's Proposed Budget For Fiscal Year 2014-2015

**Presented at Special Budget Meeting on
Wednesday, May 21, 2014
Coventry High School
Large Lecture Hall; 7:00 P.M.**



OFFICE OF THE TOWN MANAGER
(860) 742-6324

May 14, 2014

To the Coventry Town Council and Citizens of Coventry;

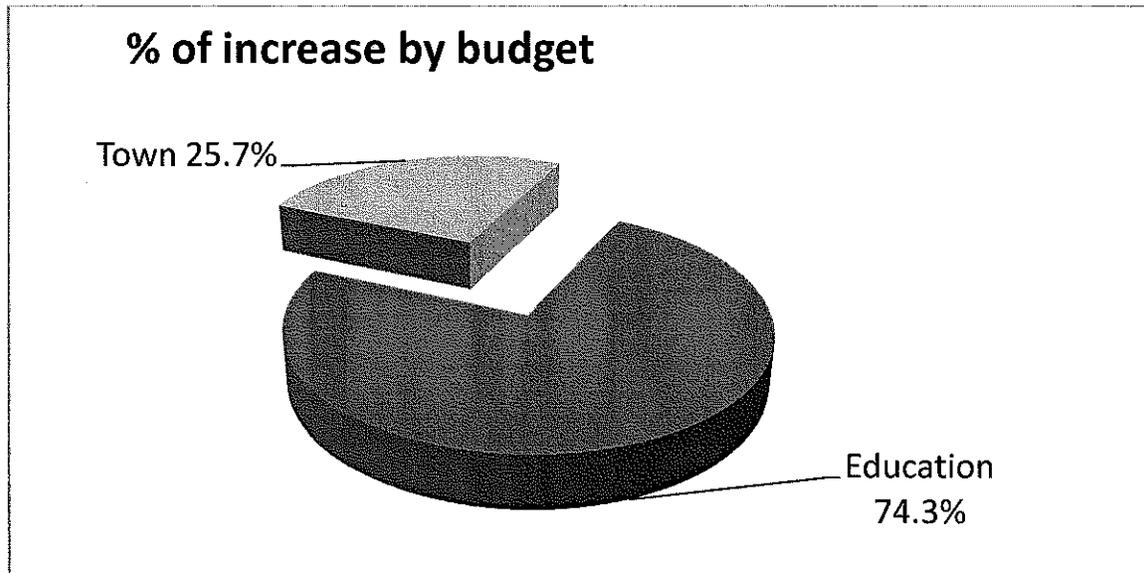
In accordance with the Coventry Town Charter, I am presenting the Town Council's recommended budget for Fiscal Year 2014-15. The Town, Debt Service, Capital, and School budgets have increased \$625,991 to \$39,088,204 or a 1.6% increase over the adopted budget for Fiscal Year 2013-14. The proposed mil rate required to fund the proposed FY 15 budget is 28.47 mils. This is a .5 or 1.8% increase from this year's mil rate.

This budget was developed by the Town Council with the goal of minimizing any tax increase but still addressing urgent community needs. A zero increase was simply not possible given the increase in insurance and predicted negotiated wage increases without lay-offs or State mandate relief. It is a relief that the Governor and Legislature recognize that cuts in State Aid ultimately cause increases in property taxes. Even with this acknowledgment the State budget does not provide either real mandate or property tax relief. Mandates such as teacher evaluations, curriculum changes and revaluation are responsible for a large portion of our on-going expenditures.

The Town Council reviewed the budget proposals and reduced all four budgets by a combined \$245,849 which reduced the proposed tax increase by 27%. The Town was reduced by \$34,924, Education by \$115,000, Capital by \$92,500 and Debt by \$3,425. After the budget defeat an additional reduction of \$ 252,136 was made and \$12,199 in revenue recognized. This equaled a reduction in the proposed mil rate of .27 Mils. It reduced the increase in expenditures to 1.6% which is equal to the current rate of inflation. The proposed position of Fire/EMS Administrator was cut to allow a review by the newly formed study committee. The proposed School Resource Officer position was also cut. No new positions are in the Town Budget.

The Town staff is very aware of the economic conditions that exist in our State and Nation. While Coventry is better off than many communities, and continues to see some growth and continued real estate sales, the economy is not predicted to come roaring back and more likely will be a slow climb to better times. We continue to see positive signs of recovery. However, we recognize that tax increases and fee increases will not be easily absorbed by

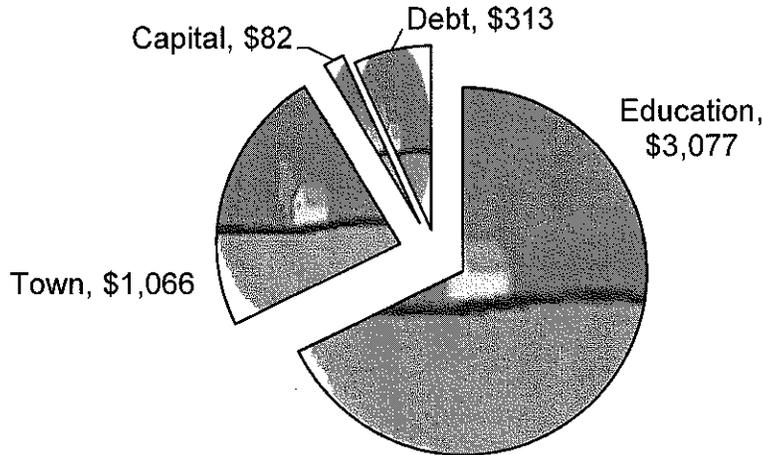
many in our community so they have been kept as small as possible. Once again no increase is proposed for trash fees. The chart below shows where the increase is going by budget.



This budget should not be classified as a status quo budget. Both the Town and school district have proposed changes to move the community forward. The focus is on prioritizing services and developing the most cost effective ways to accomplish them. "Status Quo" alludes to standing still. Neither agency believes the times allow this as an alternative. Instead we are moving forward toward a goal of providing better and more cost effective services. Resources are being reallocated to areas of need. Some services may be reduced and/or curtailed. Others with demonstrated need may receive more attention.

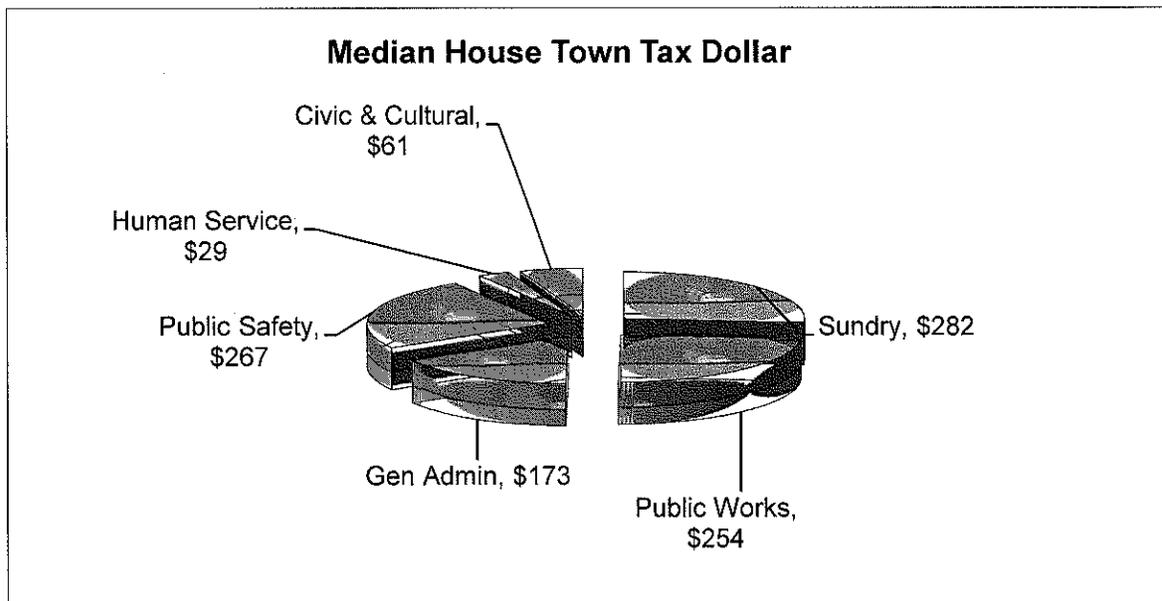
The following chart shows how the proposed taxes on a median house are allocated between the four budgets.

Annual taxes on Median Home



Town Operating Budget – a 1.8% increase

The General Government is seeking an increase of \$162,163 or 1.8%. We have tried to make adjustments without creating too many negative impacts on service to the citizens. We have evaluated many options to reduce expenses and to bring in additional revenues. The budget is presented to show how some of the proposed budget initiatives are designed to address the adopted Goals of the Town Council. Please review that section found later in this budget letter. The proposed position of Fire/EMS Administrator was cut to allow further study and consideration. The School Liaison Officer was eliminated. The following chart shows how the tax dollars on the median house are divided by service delivery area.



Capital Budget – a Zero% increase

The Capital Budget was frozen at current levels. The proposed amount delays progress toward the sustainability level of \$1,000,000 per year. It still does not reach spending levels of the mid 90's when adjusted for inflation. Historically many proposals were delayed until more funds were available. The long backlog of essential projects and equipment replacement continues to grow. Many of these projects increase in costs over time and the Town ends up borrowing to "catch up". If we could, we should be paying cash now to reduce the long term costs to the community, but ability and willingness to pay are real factors which always must be considered. We continued the practice of limiting lease purchases to equipment costing at least \$50,000. Please see the Capital section of the budget for a list of proposed projects and purchases. The Capital program can also be used as a hedge against receiving less than expected State aid. If the revenue does not come through as promised by the State, portions of the capital budget could be frozen to assist in balancing the budget.

Debt Service – a .18 % decrease

Debt Service will decrease by \$4,811, or .18%. Debt service is only 6.9% of the annual budget. Please see the included chart for a visualization of the Town's long term debt picture. Two new five year lease purchases for a large Dump Truck and a Mechanic's service vehicle are requested. Two lease purchases are expiring.

Board of Education – a 1.8% increase

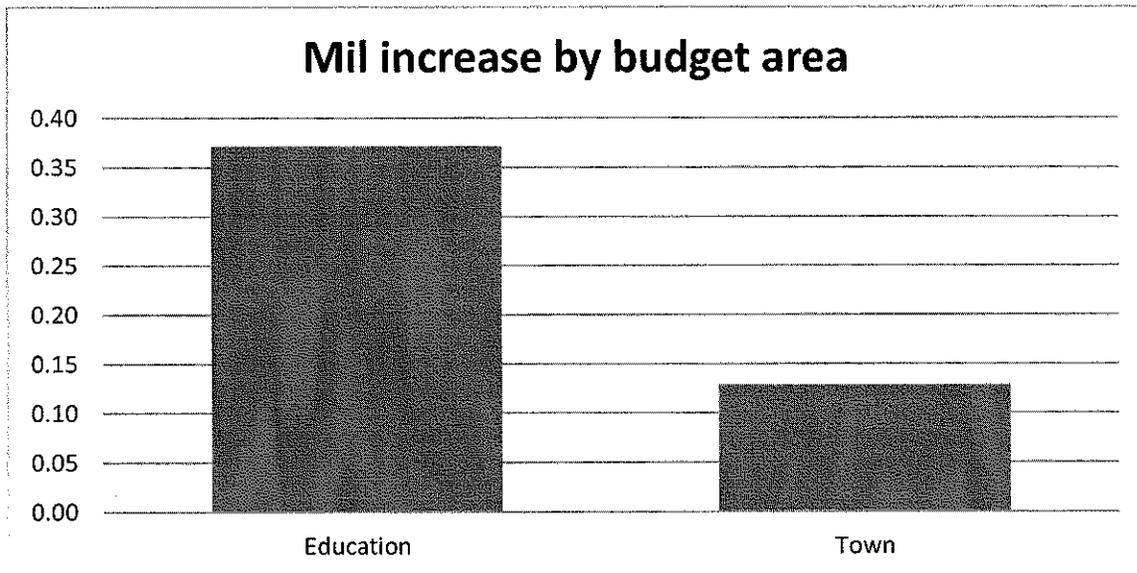
The Board of Education budget requested \$706,639 in additional funds for a total request of \$26,756,064, a 2.71% increase. The Council reduced this request by \$115,000 which included the \$50,000 toward a School Resource

Officer. This was cut an additional \$123,000 after the budget defeat. The Council's revised proposed Education budget is \$ 26,518,064, a \$468,639 or 1.8% increase. This budget is being driven by unfunded State mandates for a new teacher evaluation program and core curriculum changes. Additionally \$191,409 in education capital projects is proposed, comprised of \$161,409 for computers and fiber connections, and \$30,000 to continue a multi-year project of replacing classroom furniture. Please refer to the separate Board of Education budget document for a more in-depth discussion of their spending proposal.

Revenues: State Revenue-Status Quo

The State budget proposes no property tax or significant mandate relief. It continues the trend of level funding which means that all increased spending is on the back of the property tax. The Education Cost Sharing grant, student transportation, casino fund, revenue sharing and PILOT funds are proposed to remain virtually unchanged.

Property taxes cannot on their own produce an adequate income stream to support a quality education system. Our grand list grew .4%; investment income continues to be very low while development-based revenues have remained lower than hoped. This year new growth in our grand list will produce \$129,748 in additional tax revenue at the current tax rate. No tax sale is planned for this year requiring lowering anticipated revenues by \$260,000 which will be partially offset from the sale of three parcels (\$150,000) from the 2013 sale. All combined local revenues have been increased by \$176,612 which includes the property sales of \$150,000.



2014-15 Budget Summary

The 2014-2015 Budget is an increase in spending of \$625,991 or 1.6% over the previous year. It will require a .5 mil increase (1.8%) to fund it. The previous charts illustrate how the proposed increase in spending and the tax rate are allocated between the various budgets.

The following chart compares major Revenues and Expenditures for Fiscal Years 2013/2014 and 2014/2015.

COMPARISON OF FY 2013/2014 and FY 2014/2015 BUDGETS

REVENUES

	Adopted FY 14	Requested FY 15	Inc/Dec	%
Property Tax	\$28,123,682	\$28,571,662	\$447,980	1.6
Intergovernmental	\$9,925,693	\$9,927,092	\$1,399	0
Reserves	0	0	0	0
Other Local	\$412,838	\$589,450	\$176,612	42.8
	<u>\$38,462,213</u>	<u>\$39,088,204</u>	<u>\$625,991</u>	<u>1.6</u>

EXPENDITURES

Gen. Government	\$9,029,229	\$9,191,392	\$162,163	1.8
Bd. of Education	\$26,049,425	\$26,518,064	\$468,639	1.8
Debt Service	\$2,687,519	\$2,682,708	(\$4,811)	(.18)
Capital	\$696,040	\$696,040	\$0	0
Total	<u>\$38,462,213</u>	<u>\$39,088,204</u>	<u>\$625,991</u>	<u>1.6</u>

Public participation in the budget process is critical to determine how the proposed budget fits with the community's desire for service and willingness to pay. The public is invited to attend the Special Budget Meeting on Wednesday, May 21 at 7:00 p.m. in the Large Lecture Hall of Coventry High School, and subsequently to vote in a town-wide referendum on June 3, 2014. The budget process is always one of difficult decisions and balancing conflicting priorities. It is also a time each year for the Town to decide what type of community we wish to live in.

Sincerely,



John A. Elsesser
Town Manager

COVENTRY TOWN COUNCIL GOALS 2014-2016

COVENANT WITH CITIZENS OF COVENTRY: We pledge to work hard, to listen to you, to acknowledge that we have heard you and that we will consider your issues in our deliberations. We cannot promise to be all things to all people, but we will promise to communicate the “whys” of our decisions and to encourage people to ask questions. Citizen input is welcome at regular Council meetings or via email to the Coventry Town Council Chair at councilchair@coventryct.org.

MISSION STATEMENT: The Coventry Town Council seeks to promote and support a high quality of life for its citizens. We are dedicated to safeguarding town assets while providing sound fiscal management and excellent customer service to all citizens, the business community and Town employees.

GOALS:

Goal One: Enhance Town & School Safety.

We will continue to improve our schools and community to keep them secure and safe:

Strategy 1: We will review in collaboration with the Board of Education existing school and community safety protocols and make changes that are consistent with current best practices.

Budget Proposal: *\$25,000 is included in a proposed referendum package for school security architectural design work. The School Resource Officer (or School Liaison Officer was cut)*

Strategy 2: The Executive Committee for the Town Council will meet with the Executive Committee for the Board of Education (Chair, Vice Chair & Secretary) once a quarter to review any changes or updates that may be needed for our school systems. The Chair of the Town Council will report back to the Council.

Budget Proposal: *No cost impact*

Strategy 3: The Council liaison for the Emergency Coordinating Committee will meet with the Town’s Local Emergency Coordinating Committee once a month and report back to the Council.

Budget Proposal: *No cost impact*

Strategy 4: We will establish a committee to examine and implement the fire departments strategic action plan and review the need for a Fire Administrator. The committee will consist of the following: 2 North Coventry Fire, 2 CVFA, 2 Town Council Members, and 4 community members at large (not council or members of the Fire organizations). The Fire Department Committee will be formed in January of 2014 and will report back to the Council every other month until a final recommendation on the strategic action plan is ready for Council consideration.

Budget Proposal: *Proposal to create the full time position of Fire/EMS Administrator was placed on hold pending review of the study committee.*

Goal Two: Review Government structure and staffing levels.

Strategy 1: We will review the 22-year-old Coventry Town Charter. A committee will be established in March of 2014 and the committee will be comprised of 5 full members and two alternates in accordance with applicable State statutes. The current Town Charter is out dated and has wrong information about committees. This will be a full review of the Town Charter, with recommended updates and changes. The Town Charter Committee will report back to the Council on a quarterly basis until the review is complete.

Budget Proposal: *Funding cut*

Strategy 2: We will study conducting an independent labor audit of existing town positions and practices. This will enable us to determine what level of staffing we should be at to operate effectively now and for the future. The audit will be done by an outside vendor and will report back to the Council after the audit is finished with a presentation of their findings. The audit will start in May 2014.

Budget Proposal: Proposing to clarify the scope of work this year for study in FY16.

Strategy 3: We will seek opportunities for sharing services both regionally and between Town and Board of Education, thereby increasing efficiency and reducing costs.

Budget Proposal: No cost impacts. Town has hired a school janitor to clean several buildings, started quarterly joint facilities meetings and continue quarterly technology meetings.

Goal Three: Protecting our rural character through land preservation and stewardship.

The Town of Coventry will improve upon its facilities, or cooperate in the purchase and maintenance of open space, be an active partner in all aspects of land preservation and monitor goals as set forth by the POCD.

Strategy 1: We will determine the feasibility of all methods of land preservation including continuing to budget annually for open space in the Capital Improvement Plan, adding to the Land Acquisition Fund through donations, fees “in lieu of”, grants and partnering with land and farmland preservation trusts. Consider bonded funding to take advantage of open space preservation opportunities as they become available including acquiring development rights.

Budget Proposal: Continue \$30,000 capital contribution to open space fund. Grant application was submitted to CT DEEP in March of 2014 with a contribution from Joshua's Tract Land Trust. Complete work of Open Space task force.

Strategy 2: We will restructure the existing ad-hoc Open Space Work Group, and Conservation Corps Coordinating Committee, into an ad-hoc Open Space Oversight Committee, which would report quarterly to the Steering Committee. This will help to implement the recommendations from the Open Space Work Group as well as monitor all open space land owned by the Town. They would also participate in all policy and administrative discussions regarding open space and land preservation. This would be implemented in March of 2014. The Town of Coventry will purchase and maintain open space.

Budget Proposal: No cost impacts

Goal 4: Assure Sound Fiscal Management of the Town.

Strategy 1: Continue to work toward the goal of increasing the Unreserved Fund Balance to 10% of General Fund Expenditures.

Budget Proposal: Goal almost achieved. Budget does not propose to withdraw funds from Fund Balance and revenues will be conservatively budgeted to assure hitting the target.

Strategy 2: Work toward funding the Capital Non-Recurring Expenditure Fund (CNREF) to build reserves for the financing of depreciable assets.

Budget Proposal: A contribution of \$25,000 was included.

Strategy 3: Continue to strive toward achieving an 80% funded ratio for the Town Employees' Pension Fund.

Budget Proposal: In an effort to maintain a lower tax increase only the actuarial recommended payment has been proposed after several years of extra payments. It is hoped that the positive stock market returns will help us move from current levels of 75% toward the 80% goal.

Continuing to Support:

- Encourage economic development that is appropriately scaled and aligns with the POCD and the rural character of the community. Work with the businesses in the village and the Town's Economic Development Commission to best utilize the improvements to the village area and provide support.
Budget Proposal: STEAP grant for sidewalks pending. Studying water tower which would increase fire protection and allow mixed development use. Proposed funds for Library architect for study. Working with UCONN on Tech Park, growth plans and traffic study. Seeking village grant.
- Focus on attracting citizen volunteers for Boards and Commissions.
Budget Proposal: No budget impact
- Follow through to conclusion realignment of Main Street by the State from just west of Rte. 275 to the Visitor's Center. Expected date for commencement of this project – 2015.
Budget Proposal: No budget impact
- Support Human Services and Parks and Recreation departments in their efforts to increase attendance and enhance programs.
Budget Proposal: Continue to increase senior programs with expanded hours funded in fall of 2013. This budget picks up the full year's expense of that expansion.
- Parks and Recreation Commission in planning for renovations and improvements to all parks and trails.
Budget Proposal: A very modest \$500 for trail maintenance has been added to the Conservation budget. Design concepts for Millbrook trail extensions are underway with goal of a fall application. Also working with DEEP to spread state purchased stone dust on Hop River Trail and future improvement grants for that trail. Will prepare trail map for Thorton Brook Preserve.
- Preserve Coventry Lake's water quality by supporting the activities of the ad-hoc Coventry Lake Advisory and Monitoring Committee.
Budget Proposal: Continue funding the annual lake monitoring and work with the committee on annual lake forum. Continue design work for Lake Gate and hope for funding from one of the three pending grant applications.
- Improving the quality of Town communications, website, community broadcasts, quarterly newsletters, monthly e-blasts and news releases. Encourage increased enrollment in e-blasts with a goal of doubling participation.
Budget Proposal: Continue to reach out to get people to sign up for updates. Consider tax bill stuffer. Changed to one color printing of newsletter to save money.
- In partnership with the Board of Education, Administration and STEPS, investigate the near-term possibility and funding for establishing preschool for all 3-5 year olds and partnerships in establishing a Family Resource Center.
Budget Proposal: No cost impact. Our Youth Services Coordinator serves on the Superintendent's study committee and the Steps nurturing committee.

Note: Goals are not in priority order and may be amended by the Town Council with timely notification to its citizens.

**Town of Coventry
Summary of Proposed Budget 2014-15**

Appropriations:

General Government	9,191,392
Board of Education	26,518,064
Debt Service	2,682,708
Capital Expenditures	696,040
TOTAL APPROPRIATIONS	39,088,204

Revenues:

Local Property Tax:	
Current Taxes	27,896,662
Delinquent Taxes	300,000
Int. & Penalties	150,000
Supplemental M V	225,000
Intergovernmental Revenues:	
Sewer Assessment	580,834
State of CT - Education	9,096,962
State of CT - Gen. Gov't.	231,296
Housing Auth. PILOT	18,000
Local Revenues	589,450
TOTAL REVENUES	39,088,204

Mil Rate Computation:

Grand List	
98% Collection Rate	979,720=1 Mil
28.47 Mil Rate	1.80%
	.5 increase